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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/574,726	05/18/2000	Geoffrey B. Rhoads	60195	9782
23735	7590	12/22/2005	EXAMINER	
DIGIMARC CORPORATION 9405 SW GEMINI DRIVE BEAVERTON, OR 97008			AGWUMEZIE, CHARLES C	
			ART UNIT	PAPER NUMBER
			3621	
DATE MAILED: 12/22/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/574,726

Applicant(s)

RHOADS, GEOFFREY B.

Examiner

Charlie C. Agwumezie

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 May 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-14 and 26-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-14 and 26-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>5/1/03; 5/24/04</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

1. Applicant's election of group 1 consisting of claim 1-14 and 26-29 is noted. Claims 15-25 and 30-89 are cancelled. Claims 1-14 and 26 –29 is pending in this application per response to office action filed by Applicant on October 17, 2005.

Response to Arguments

2. Applicant's arguments, see response to office action, filed on October 17, 2005 with respect to the rejection(s) of claim(s) 1-14 and 26-29 under Knowles U.S. Patent 5,869,819 have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Daniele U.S. Patent No. 5,444,779.

Claims 1-14 and 26-29 have been examined.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

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only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

3. **Claims 1-4, 6-9, 11-14, and 26**, are rejected under 35 U.S.C. 102(e) as being anticipated by Daniele U.S. Patent No. 5,444,779.

4. As per **claim 1**, Daniele discloses a method comprising:
encoding digital source material to steganographically convey plural-bit auxiliary data (fig. 2; col. 1, lines 10-15; col. 4, lines 1-20);
passing the encoded source material to a destination through at least one intervening computer (fig. 2 and 7; col. 4, lines 1-20; col. 6, lines 40-67; col. 8, lines 40-55),
at said intervening computer, detecting encoded source material transmitted thereby (fig. 2 and 7; col. 4, lines 1-20; col. 6, lines 40-67; col. 7, lines 1-24); and
crediting a payment in response to said detection of the encoded source material, in accordance with the plural-bit auxiliary data steganographically conveyed by the encoded source material (fig. 2 and 7; col. 12, lines 27-45; col.8, lines 40-55).

5. As per **claim 2**, Daniele further discloses the method which includes decoding plural-bit auxiliary data only from source material that has first been tested to indicate the likely presence of such auxiliary data therein (Col. 13, lines 55- col. 14, line 5).

6. As per **claim 3**, Daniele further discloses the method which includes testing source material by reference to an encoding attribute that is supplemental to said encoded plural-bit auxiliary data (col. 14, lines 10-25).

7. As per **claim 4**, Daniele further discloses the method in which said attribute is the presence of a characteristic signature signal conveyed by said source material (col. 5, lines 7-20; col. 14, lines 10-25).

8. As per **claim 6**, Daniele further discloses the method in which said transmitting includes distributing through a network of interconnected computers (see figs. 2 and 7).

9. As per **claim 7**, Daniele further discloses the method of reporting said detection to a location remote from detection (figs. 2 and 7); and crediting royalties based on detection (col. 3, lines 22-47; co. 4, lines 61-col. 5, line 20).

10. As per **claim 8**, Daniele discloses a method comprising:
presenting audio source material to a consumer, the material being encoded steganographically to convey plural-bit auxiliary data (fig. 2 and 7; col. 6, lines 39-67);
decoding the audio source material that is presented to the consumer to decode the auxiliary data therefrom (figs. 2 and 7; col. 8, lines 22-40); and

using the plural-bit auxiliary data to retrieve information about the source material from a remote location (figs. 2 and 7; col. 13, lines 22-25, 55-66).

11. As per **claim 9**, Daniele further discloses the method that includes:
storing data indicating the audio source material(s) presented to the consumer (col. 13, lines 45-55);

generating a report based on the stored data, indicating the audio source material(s) presented to the consumer (col. 13, lines 45-66).

12. As per **claim 11**, Daniele discloses a method comprising:
receiving an object steganographically encoded with plural-bit auxiliary data (fig. 2; col. 1, lines 10-15; col. 4, lines 1-20);

decoding the plural-bit auxiliary data from the object (col. 6, lines 39-67);

consulting a registry to determine a proprietor of the object, by reference to said decoded plural-bit auxiliary data (col. 13, lines 55-65); and

making a payment to said proprietor (fig. 2 and 7; col. 12, lines 27-45; col.8, lines 40-55; col. 9, lines 65 – col. 10 , line 20).

13. As per **claim 12**, Daniele further discloses the method that includes making said payment through the registry (see figs. 1, 2 and 7).

14. As per **claim 13**, Daniele further discloses the method in which the object is a work of authorship, and the encoding adds a generally imperceptible level of noise to the object as it is perceived by a consumer thereof (fig. 7; col. 13, lines 55-65).

15. As per **claim 14**, Daniele further discloses the method in which the registry comprises a database accessible through the internet (fig. 7; col. 9, lines 39-65).

16. As per **claim 26**, Daniele discloses a method of altering music data to steganographically insert plural bits of watermark data therein, characterized by inserting a first group of said bits for benefit of an end-user of the music data, inserting a second group of bits different than the first for benefit of an artist whose music is encoded by said music data and inserting a third group of bits different than the first two for benefit of a distributor of the music data (col. 6, lines 39-67).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. **Claim 5**, is rejected under 35 U.S.C. 103(a) as being unpatentable over Daniele U.S. Patent No. 5,444,779 in view of Mosses U.S. Patent No. 5,473,631.

18. As per **claim 5**, Daniele failed to explicitly disclose the method in which the signature signal is a repetitive noise burst signal.

Moses discloses the method in which the signature signal is a repetitive noise burst signal (col. 3, lines 40-64; col. 7, lines 32-56).

Accordingly it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the system of Daniele and provide the method in which the signature signal is a repetitive noise burst signal in view of the teachings of Moses et al in order to show alternative method of detecting the data.

19. **Claims 10 and 27-29**, are rejected under 35 U.S.C. 103(a) as being unpatentable over Daniele U.S. Patent No. 5,444,779 in view of Hamilton et al U.S. Patent No. 5,249,166.

20. As per **claim 10**, Daniele failed to explicitly disclose the method which includes detecting the presented audio source material with a microphone, and decoding the auxiliary data from a microphone output signal.

Hamilton et al discloses the method which includes detecting the presented audio source material with a microphone, and decoding the auxiliary data from a microphone output signal (col. 6, lines 37-60).

Accordingly it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the system of Daniele and provide the method method which includes detecting the presented audio source material with a microphone, and decoding the auxiliary data from a microphone output signal in view of the teachings of Hamilton et al in order to show alternative method of detecting the data.

21. As per **Claim 27**, Daniele does not expressly show method in which the first group of bits represents an internet address of a web site that may be accessed by end-users of the music data.

However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The detection of the encoding and payment of royalty would be performed the same regardless since the the internet is only a means of transferring the data and/or payment for the copyrighted material. Thus, this descriptive material will not distinguish the claimed invention from prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to transfer the information through the internet by representing the internet address with certain number of bits because such data does not functionally relate to the steps in the method or system claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

22. As per **claim 28**, Daniele failed to explicitly disclose the method in which the second group of bits includes bits representing a unique identifier for the music data, permitting machine identification of the data and royalty credit to the artist.

Hamilton et al further discloses the method in which the second group of bits includes bits representing a unique identifier for the music data, permitting machine identification of the data and royalty credit to the artist (col. 6, lines 39-67).

Accordingly it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the system of Daniele and provide the method in which the second group of bits includes bits representing a unique identifier for the music data, permitting machine identification of the data and royalty credit to the artist in view of the teachings of Hamilton et al in order to direct user to the data.

23. As per **claim 29**, Daniele failed to explicitly discloses the method in which the third group of bits represents usage restrictions to which audio appliances are responsive, thereby driving distribution of additional copies of the music data

Hamilton further discloses the method in which the third group of bits represents usage restrictions to which audio appliances are responsive, thereby driving distribution of additional copies of the music data (col. 6, lines 39-67).

Accordingly it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the system of Daniele and provide the method in

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which the third group of bits represents usage restrictions to which audio appliances are responsive, thereby driving distribution of additional copies of the music data in view of the teachings of Hamilton et al in order to ensure only authorized user have access to the data.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles C. Agwumezie whose number is **(571) 272-6838**. The examiner can normally be reached on Monday – Friday 8:00 am – 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on **(571) 272 – 6712**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll free).

Any response to this action should be mailed to:

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Or faxed to:

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(571) 273-8300. [Official communications; including After Final communications labeled "Box AF"].

(571) 273-8300. [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"].

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Charlie Lion Agwumezie
Examiner
Art Unit 3621
November 21, 2005

Charlie Lion Agwumezie
PRIMARY EXAMINER